



State of Arizona

Janice K. Brewer
Governor

Office of the Governor
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TO: State Agency Directors and Acting Directors

FROM: Janice K. Brewer
Governor

SUBJECT: Regulatory Review Plan

DATE: January 22, 2009

In order to ensure that my appointees have the opportunity to review any new or pending rules, I am asking that you immediately take the following steps, subject to the exception process as described in paragraph 9:

1. Send no proposed or final rule to the Secretary of State for publication in the Arizona Administrative Register.
2. File no notice of proposed rule making with the Secretary of State or begin or continue any activities in preparation for rule making, including informal rule making activities.
3. With respect to proposed rules that have been sent to the Secretary of State but not published in the Arizona Administrative Register, withdraw them from Secretary of State.
4. With respect to proposed rules that are final but have not been submitted to the Governor's Regulatory Review Council (GRRC) for approval, postpone filing the rules with GRRC.
5. With respect to proposed rules that have been submitted to the GRRC for approval, postpone filing rules approved by GRRC with the Secretary of State.
6. With respect to proposed rules that are final but have not been submitted to the Attorney General for approval, postpone filing the rules with the Attorney General.
7. With respect to proposed rules that have been submitted to the Attorney General for approval, withdraw the rules from consideration by the Attorney General.
8. Provide the Governor's Office a list and brief summary of each rule making activity within your agency no later than February 16, 2009.
9. Notify the Governor's Office promptly in writing of any rule making activity that, in your view, impacts critical public peace, health and safety functions of the agency or that are needed to address the state budget deficit and therefore should

be also excluded from the directives in paragraphs 1-7. The Governor's Office will review any such notifications and determine whether exception is appropriate under the circumstances.

The directives in paragraphs 1-7 shall remain in effect until April 30, 2009.

As used in this memorandum, "rule" has the meaning as defined in A.R.S. § 41-1001(17).

Finally, in the interest of sound regulatory practice and the avoidance of costly, burdensome, or unnecessary rules, independent agencies are encouraged to participate voluntarily within the context of their own rulemaking processes.

This regulatory review will be implemented by the Governor's Office. Communications regarding exceptions to the review, or questions regarding the review generally, should be addressed to Richard Bark, Deputy Chief of Staff for Policy at rbark@az.gov.

This memorandum shall be published in the Arizona Administrative Register.

State Assurance Fund Status
FY2009
January 28, 2009 UST Policy Commission Meeting

a.) Sources

Beginning Balance (July 1, 2008)	\$30,533,400 ⁽¹⁾
Projected Revenue	<u>\$30,373,600⁽²⁾</u>
Projected Total Available Funds	\$60,907,000

b.) Uses

Projected Expenditures	\$36,813,200 ⁽¹⁾
FY2009 Estimated Transfers	<u>\$23,428,500⁽¹⁾</u>
Total Uses	\$60,241,700

c.) Summary

Projected Total Available Funds	\$60,907,000
Total Uses	- <u>\$60,241,700</u>
Projected Ending Balance	\$665,300
Less Additional Potential Transfers	- <u>\$ 495,900⁽³⁾</u>
	\$ 169,400

NOTES:

(1) Source: FY 2010 JLBC Baseline Book – Individual Agency Detail

(2) May vary depending upon fuel demand.

(3) Source: FY 2009 and FY 2010 Appropriations Chairmen Budget Options. Proposal includes a \$495,900 Excess Balance Transfer. A \$1,910,600 Fund Reduction and Transfer (FRAT) may also reduce the expenditure plan. FRAT reduces an agency's operating budget and the savings would be transferred to the General Fund.

**FY 2009 and FY 2010
Appropriations Chairmen
Budget Options**

January 2009

JLBC

Department of Environmental Quality

	FY 2008			FY 2009			FY 2010			
	Actual Revenue	Approp/ Spending	Ending Balance	Estimated Revenue	Approp/ Spending	GF Transfer	Estimated Revenue	Approp/ Spending	GF Transfer	Ending Balance*
Air Permits Administration Fund - OA										
Technical Revision	7,182,100	5,757,600	3,816,400	7,400,000	6,039,600	2,588,400	7,400,000	6,991,500	1,498,500	5,585,300
Excess Balance Transfer										(2,588,400)
Total				7,400,000	6,039,600	2,588,400	7,400,000	6,991,500	1,498,500	1,498,400
Air Quality Fund - OA										
Technical Revision	5,468,400	7,800,100	11,349,400	4,635,300	6,348,000	9,636,700	4,635,300	5,227,500		9,044,500
Fund Reduction and Transfer					(317,400)	317,400		(522,800)	522,800	(4,818,400)
Excess Balance Transfer				4,635,300	6,030,600	4,818,400	4,635,300	4,704,700	2,113,100	(2,113,100)
Total				4,635,300	6,030,600	5,135,800	4,635,300	4,704,700	2,635,900	2,113,000
Emissions Inspection Fund - OA										
Spending Revision	34,103,900	3,375,300	3,343,400	37,470,700	(5,600,000)	3,343,400	37,470,700	(5,600,000)		3,343,400
Technical Revision						5,600,000				11,200,000
Excess Balance Transfer						0				(2,800,000)
Total				37,470,700	31,870,700	2,800,000	37,470,700	31,870,700	2,800,000	(2,800,000)
Greenfields Program Fund										
Technical Revision	0	0	165,700	0	0	165,700	0	0		167,500
Excess Balance Transfer						0			100,000	(100,000)
Total				0	0	165,700	0	0	100,000	67,500
Indirect Cost Recovery Fund - OA										
Technical Revision	13,220,000	12,230,100	7,129,700	13,220,000	12,748,200	5,522,900	13,220,000	10,748,200		7,994,700
Fund Reduction and Transfer					(637,400)	637,400		(1,074,800)	1,074,800	(2,761,500)
Excess Balance Transfer				13,220,000	12,110,800	(2,761,500)	13,220,000	9,673,400	2,616,600	(2,616,600)
Total				13,220,000	12,110,800	3,398,900	13,220,000	9,673,400	3,691,400	2,616,600
Monitoring Assistance Fund - NA										
Technical Revision	375,000	769,100	1,004,000	635,000	740,900	898,100	650,000	740,900		807,200
Fund Reduction and Transfer					(37,000)	37,000		(74,100)	74,100	(449,100)
Excess Balance Transfer				635,000	703,900	449,100	650,000	666,800	179,100	(179,100)
Total				635,000	703,900	486,100	650,000	666,800	253,200	179,000
Recycling Fund -OA										
Technical Revision	2,565,100	1,939,600	3,627,500	2,485,100	2,325,800	781,500	2,485,100	2,325,800		940,800
Fund Reduction and Transfer					(116,300)	116,300		(232,600)	232,600	(390,800)
Excess Balance Transfer				2,485,100	2,209,500	(390,800)	2,485,100	2,093,200	275,000	(275,000)
Total				2,485,100	2,209,500	507,100	2,485,100	2,093,200	507,600	275,000
Solid Waste Fee Fund -OA										
Fund Reduction and Transfer	776,200	928,600	1,103,900	982,900	1,503,100	175,600	2,000,000	2,009,000	200,900	166,600
Total				982,900	1,427,900	75,200	2,000,000	1,808,100	200,900	166,600
Underground Storage Tank Revolving Fund - PA										
Technical Revision	34,709,000	27,584,100	35,734,300	31,232,400	38,211,400	991,800	30,134,500	38,211,400		(7,085,100)
Fund Reduction and Transfer					(1,910,600)	0		(3,821,100)	3,821,100	(495,900)
Excess Balance Transfer				31,232,400	36,300,800	(495,900)	30,134,500	34,390,300	3,821,100	0
Total				31,232,400	36,300,800	2,406,500	30,134,500	34,390,300	3,821,100	(7,581,000)
Voluntary Vehicle Repair & Retrofit Program Fund - NA										
Technical Revision	1,116,500	1,026,500	1,857,000	1,000,000	1,045,900	1,061,100	1,000,000	1,045,900		1,015,200
Fund Reduction and Transfer					(52,300)	52,300		(104,600)	104,600	(530,600)
Excess Balance Transfer				1,000,000	993,600	(530,600)	1,000,000	941,300	346,900	(242,300)
Total				1,000,000	993,600	582,900	1,000,000	941,300	346,900	242,300

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FY 2010

JLBC Baseline Book

Individual Agency Detail

Prepared By

THE STAFF OF THE
JOINT LEGISLATIVE BUDGET COMMITTEE

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JLBC

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
Technical Appeals Program Fund (EVA3411/A.R.S. § 49-116)		Non-Appropriated
Source of Revenue: Legislative appropriations and dispute resolution fees.		
Purpose of Fund: To pay the costs of implementing and administering a technical appeals process for specified WQARF site registry and work plan review decisions.		
Funds Expended	0	0
Year-End Fund Balance	0	0

NOTE: The Underground Storage Tank (UST) Fund is displayed first as a fund summary, then by individual account.

Underground Storage Tank (UST Summary) (EVA2271/A.R.S. § 49-1015A)		Partially-Appropriated
Source of Revenue: See each account for specific revenue sources.		
Purpose of Fund: See each account for specific account purpose.		
Balance Forward	57,092,200	35,734,300
Revenue	34,709,000	31,232,400
Funds Available	91,801,200	66,966,700
Appropriated Funds Expended	3,300	22,000
Non-Appropriated Funds Expended	27,580,800	38,189,400
Legislative Fund Transfers	28,482,800	27,763,500
Year-End Fund Balance	35,734,300	991,800

UST - Area A Assurance Account (EVA2271/A.R.S. § 49-1015)		Non-Appropriated
Source of Revenue: Area A (Maricopa County) excise tax revenues, cost recovery, and interest. The excise tax is a 1¢ per gallon tax on regulated substances, such as gasoline.		
Purpose of Fund: To provide partial coverage of corrective actions to underground storage tanks and to reimburse the Department of Environmental Quality (DEQ) if the state is required to take corrective action in Area A.		
Balance Forward	19,281,300	16,274,400
Revenue	16,422,100	15,099,600
Funds Available	35,703,400	31,374,000
Funds Expended	9,533,700	14,117,100
Legislative Fund Transfers	9,895,300	16,794,700
Year-End Fund Balance	16,274,400	462,200

UST - Cleanup Municipalities Account (EVA2271/A.R.S. § 49-1051)		Non-Appropriated
Source of Revenue: A one-time transfer of \$5,000,000 of vehicle license tax revenues in FY 2001, as provided by Laws 2000, Chapter 354, and interest.		
Purpose of Fund: To partially reimburse school districts, counties, cities, towns, hospitals, and certain small businesses for costs of cleaning up leaking tanks.		
Balance Forward	2,847,100	2,976,100
Revenue	129,000	103,100
Funds Available	2,976,100	3,079,200
Funds Expended	0	0
Legislative Fund Transfers	0	3,079,000
Year-End Fund Balance	2,976,100	200

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
UST - Grant Account (EVA2271/A.R.S. § 49-1071)		Non-Appropriated
Source of Revenue: Interest earnings on account balance.		
Purpose of Fund: To provide grants, up to \$100,000 to UST owners/operators for the purposes of meeting tank performance standards, removing tanks for closure or replacement, or paying the portion of corrective action costs that are less than the deductible amount under the Assurance Fund. The Grant Account was divided into the Area A and Non-Maricopa Accounts by Laws 1993, Chapter 1, 6 th Special Session. The figures below depict the entire Grant Account		
Balance Forward	519,600	537,400
Revenue	17,800	14,200
Funds Available	537,400	551,600
Funds Expended	0	0
Legislative Fund Transfers	0	507,900
Year-End Fund Balance	537,400	43,700
UST - Municipal Tank Closure and Corrective Action Program Account (EVA2271/A.R.S. § 49-1073)		Non-Appropriated
Source of Revenue: Legislative appropriations, gifts, grants and donations. Laws 2001, Chapter 341 transferred all unobligated funds in the UST Grant Account as of December 31, 2001 to this account. The estimated amount transferred was \$2,300,000.		
Purpose of Fund: To perform permanent closures and corrective actions on underground storage tanks in cities and towns requesting assistance. Cities and towns must have less than 15,000 people to be eligible for the program.		
Balance Forward	1,170,400	643,300
Revenue	45,600	25,700
Funds Available	1,216,000	669,000
Funds Expended	572,700	595,000
Legislative Fund Transfers	0	72,000
Year-End Fund Balance	643,300	2,000
UST - Non-Maricopa County Assurance Account (EVA2271/A.R.S. § 49-1051)		Non-Appropriated
Source of Revenue: Non-Maricopa County excise tax revenues, cost recovery, and interest. The excise tax is a 1¢ per gallon tax on regulated substances, such as gasoline.		
Purpose of Fund: To provide partial coverage of corrective actions to underground storage tanks and to reimburse DEQ if the state is required to take corrective action in areas other than Area A		
Balance Forward	32,267,500	14,259,000
Revenue	17,374,500	15,274,000
Funds Available	49,642,000	29,533,000
Funds Expended	16,801,500	22,696,100
Legislative Fund Transfers	18,581,500	6,633,800
Year-End Fund Balance	14,259,000	203,100
UST - Policy Commission Account (EVA2271/A.R.S. § 49-1092)		Partially-Appropriated
Source of Revenue: This account receives \$12,000 from the State Assurance Fund to cover operating costs.		
Purpose of Fund: To assist the UST Policy Commission review and provide recommendations to improve the UST program		
Balance Forward	28,200	24,900
Revenue	0	0
Funds Available	28,200	24,900
Appropriated Funds Expended	3,300	22,000
Non-Appropriated Funds Expended	0	0
Legislative Fund Transfers	0	2,800
Year-End Fund Balance	24,900	100

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
UST - Regulatory Account (EVA2271/A.R.S. § 49-1051)		Non-Appropriated
Source of Revenue: Annual tank fees (\$100/tank) and interest.		
Purpose of Fund: To carry out the state regulatory program, state-initiated corrective actions, and cost recovery activities.		
Balance Forward	941,700	982,800
Revenue	720,000	715,800
Funds Available	1,661,700	1,698,600
Funds Expended	672,900	781,200
Legislative Fund Transfers	6,000	637,000
Year-End Fund Balance	982,800	280,400
UST - Technical Appeals Account (EVA2271/A.R.S. § 49-1093)		Partially-Appropriated
Source of Revenue: Fund receives an annual \$10,000 appropriation from the State Assurance Fund to cover operating costs.		
Purpose of Fund: To assist the UST Technical Appeals panel		
Balance Forward	36,400	36,400
Revenue	0	0
Funds Available	36,400	36,400
Appropriated Funds Expended	0	0
Non-Appropriated Funds Expended	0	0
Legislative Fund Transfers	0	36,300
Year-End Fund Balance	36,400	100
Used Oil Fund (EVA3500/A.R.S. § 49-818)		Appropriated
Source of Revenue: Legislative appropriations and penalties for misuse of used oil.		
Purpose of Fund: For costs associated with the collection and analysis of used oil fuel samples.		
Funds Expended	10,400	137,800
Year-End Fund Balance	67,600	68,600
Voluntary Lawn and Garden Equipment Emissions Reduction Fund (EVA2306/A.R.S. § 49-474)		Non-Appropriated
Source of Revenue: An annual \$10,000 appropriation from the State Assurance Fund to cover operating costs.		
Purpose of Fund: To provide vouchers for the retirement of residential and commercial lawn mowers. Residential owners receive a \$100 voucher to be used toward the purchase of an electric mower. Commercial owners receive a \$200 voucher to be used toward the purchase of a mower that generates lower emissions.		
Funds Expended	0	0
Year-End Fund Balance	1,700	1,700
Voluntary Remediation Fund (EVA2564/A.R.S. § 49-187)		Non-Appropriated
Source of Revenue: Legislative appropriations, program fees, cost reimbursements, gifts, grants, and donations.		
Purpose of Fund: To pay the department's oversight costs of voluntary clean-ups of contaminated properties, including application, monitoring, and enforcement activities.		
Funds Expended	261,400	445,900
Year-End Fund Balance	908,100	674,300
Voluntary Vehicle Repair & Retrofit Program Fund (EVA2365/A.R.S. § 49-474.03)		Non-Appropriated
Source of Revenue: Legislative appropriations, a \$10 fee on diesel vehicle registrations, gifts, grants and donations.		
Purpose of Fund: To provide monies for local programs intended to repair or retrofit vehicles that fail emissions tests.		
Funds Expended	1,026,500	1,045,900
Year-End Fund Balance	1,857,000	1,061,100